

Exhibit K

A188

FOIA Confidential
Treatment Requested by
BMO

Commodity Issue

Date

Penny, Murray, Gally
Feb 2/07

Totem has agreed to check
broker quotes with key contributors

Key issue is with out of the
money options

Some of Optionables Quotes come
from BMO since BMO a big customer
of Optionable

- 80,000 Contracts closed out in
on Feb 1

- worried that combination of
sales & asking for broker quotes
will make it more difficult
to

Close-Out Reserve - ~~now~~
Market Risk closeout - looking at
change in methodology →

- natural gas much more volatility
- have taken one vol

Market Risk is building program to compare
HJM to buy-out price(s) - should have
results later this week.

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